

## Message Text

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ACTION EB-08

INFO LOG-00 COPY-01 ADS-00 AID-00 OIC-02 IO-16 NEA-07  
COME-00 TRSE-00 OMB-01 STR-14 USIE-00 /049 W  
-----353071 310839Z /17

P 310708Z JUL 75  
FM AMEMBASSY SANAA  
TO SECSTATE WASHDC PRIORITY 5609  
USDA WASHDC PRIORITY  
AMCONSUL JEDDAH PRIORITY

UNCLAS SANAA 4847

USDA FOR DAVID KUNKEL; JEDDAH FOR ATO

E.O. 12356: N/A  
TAGS: EAGR, EAID, YE  
SUBJECT: YARG INTEREST I GSM 102, EXPORT EMHANCEMENT PROGRAM  
AND DAIRY PRODUCTS PROGRAM

REF: A) SANAA 4308, B) STATE 229651, C) KEISWETTER/KUH  
TELECON, JULY 30

1. VICE PR ME MINISTER MINISTER OF DEVELOPMENT,  
MOHAMMED SAID AL-ATTAR, TOLD CHARGE IN COURSE OF PL480  
AMENDMENT SIGNING ON JULY 30 THAT PRIME MINISTER ABDUL AZIZ  
BEUL GPANI HAD CHAIRED SPECIAL MEETING TO STUDY COMMODITY  
NEEDS ON JULY 29. THE YARG IS DISPOSED TO USE GSM 102,  
AL-ATTAR SAID, BUT FINDS US PRICES FOR WHEAT NOT COMPETITIVE  
WHEN FREIGHT CHARGES ARE ADDED. ATTAR ASKED WHAT OTHER  
PRODUCTS BESIDES WHEAT GSM 102 CREDITS COULD BE USED TO PUR-  
CHASE. CHARGE EXPLAINED US HAD OFFERED THE GSM 102 CREDITS  
ON UNDERSTANDING YARG WANTED TO PURCHASE WHEAT AND POSSIBLY  
RICE, BUT THAT THEY COULD BE USED FOR OTHER COMMODITIES  
AS WELL.

2. LATER ON JULY 30 MINISTER FOR SUPPLY FUAD QAID MOHAMMED  
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ASKED TO SEE THE CHARGE AND ACTING AID DIRECTOR URGENTLY.  
THE MINISTER SAID THAT YARG WOULD LIKE TO USE GSM 102 TO  
PURCHASE WHEAT BECAUSE THE PAYMENT SCHEDULE WAS "CONVENIENT"  
FOR YARG, BUT FREIGHT CHARGES MADE DELIVERED COST FOR US  
WHEAT SUBSTANTIALLY HIGHER THAN THAT FOR AUSTRALIAN WHEAT.  
THE MINISTER ASKED IF US HAD ANY PROGRAM TO SUBSIDIZE

FREIGHT COSTS. CHARGE AND ACTING AID DIRECTOR REPLIED TO THEIR KNOWLEDGE US GOVERNMENT HAD NO SUCH PROGRAM, BUT WOULD BE WILLING TO INQUIRE FURTHER. THE MINISTER ALSO SAID YARG MIGHT USE GSM 102 TO PURCHASE RICE IF US WHEAT WAS UNCOMPETITIVE.

3. THE MINISTER COMMENTED THAT YARG WAS INTERESTED IN IMPORTING WHEAT-FLOUR UNDER THE EXPORT ENHANCEMENT PROGRAM AND DAIRY PRODUCTS UNDER THE SPECIAL PROGRAM EMBASSY HAD DESCRIBED TO HIM SOME MONTHS AGO. IN RESPONSE TO CHARGE'S REVIEW OF REQUIREMENTS OF THESE PROGRAMS, THE MINISTER SAID THAT ALMOST ALL OF YEMEN'S IMPORTS COME FROM THE EC. THERE WAS NO QUESTION THAT THE YAR QUALIFIES IN REGARD TO WHEAT-FLOUR AND THAT A LIST OF OTHER ITEMS IS ALSO BEING DRAWN UP.

4. MINISTER FUAD QAID SAID EMPHASIZED THE YARG NOW WANTED TO MOVE QUICKLY AND WELCOMED VISIT OF ATO KUHL FROM JEDDAH TO WORK OUT THE DETAILS. APPOINTMENT WITH THE MINISTER HAS BEEN SET FOR 11 AM, AUGUST 5, ON UNDERSTANDING FROM REV C THAT KUHL WILL ARRIVE AUGUST 4.

5. COMMENT: EMBASSY WOULD APPRECIATE PRELIMINARY ANSWER TO MINISTER'S QUESTION ABOUT FREIGHT. EMBASSY IS FORWARDING BY SEPTTEL INFORMATION ABOUT WHEAT-FLOUR IMPORTS REQUEST IN REF B.  
KEISWETTER

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## Message Attributes

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**TAGS:** EAGR, EAID, YE  
**To:** STATE AGR JEDDAH  
**Type:** TE  
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